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UNCLAS SECTION 01 OF 02 AMMAN 008656

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SUBJECT: JORDAN'S MINISTER OF LABOR RE-APPOINTED AND
RE-INVIGORATED

REF: AMMAN 8572

AMMAN 00008656 001.3 OF 002

11. (SBU) SUMMARY: Minister of Labor Basem Salem was re-appointed in the cabinet re-shuffle announced November 22 (reftel). Salem intends to re-double efforts to address labor problems in Jordan. Salem feels that Jordan's policy decision to readily admit its labor problems has been well received by the private sector, NGOs, and the USG. Salem is now eager to translate the GoJ's admissions into concrete and permanent fixes, and to do so urgently. Salem notes the international community has been patient with Jordan, and that the GoJ now needs to demonstrate real movement towards permanent solutions. He intends to "run the Ministry of Labor like a private-sector company" that will better target individual labor violators, and at the same time increase the number of available Jordanian workers in the sector. His vision for the road ahead includes seeking USG assistance for revamping the ministry's inspection and prosecution capabilities, and for a technical expert to run a newly-created Department of Migratory Affairs. END SUMMARY.

12. (SBU) Minister of Labor Basem Salem was re-appointed in the cabinet re-shuffle announced November 22. The re-shuffle saw the departure of 7 ministers, including a shift of the former Minister of Industry and Trade, Sharif Zu'bi, to Minister of Justice. Sharing the news of his re-appointment with EconOff and AIDOff, Salem talked openly about his views on the labor situation in Jordan and his approach for his new term.

Open Approach Legitimizes GoJ Commitment...

13. (SBU) Discussing his recent trip to the U.S. for the annual buyer-sponsored Business Social Responsibility (BSR) conference, in which he participated in a roundtable on Jordan's labor situation, Salem expressed satisfaction with the response he got from buyers and USTR participants. He was glad to have attended BSR, and said the muted feedback he got from buyers was a result of openly owning up to the labor

problems in the QIZs. Coupled with his pledge to fix labor problems and his demand that "buyers not run away because if they run away, then they are admitting they are the problem," he felt there was little room for the buyers to demand more.

14. (SBU) The positive encouragement he received from USTR representatives at BSR furthered his belief that the open admission of a labor problem - and Jordan's solemn pledge to fix it - was the right approach. He said he believed all parties were "convinced of our (GoJ) commitment."

15. (SBU) Asked for his thoughts regarding the USAID-funded short-term assessment program, Salem again made the point that GoJ willingness to allow third-party inspections of QIZ factories, in the absence of a strong GoJ public inspectorate, was the right policy decision as demonstrated by labor violations being uncovered. These include some allegations of human-rights violations. Asked specifically about his plans to address these allegations, Salem said, if confirmed, he would shut down the factories immediately. Salem took the opportunity to offer a more critical analysis of his Ministry's response to labor rights violators and said his Ministry needs to do more to target them individually with legal action.

...But Time for Real Action is Now

16. (SBU) Salem agreed that the lack of firm legal action to date remains one of the biggest challenges to demonstrating a long-term commitment to improving the labor situation in Jordan. He made it clear that he is impressed by the short-term assessment team's progress, and wants to see the program extended and the head of the program given the power "to prosecute and not just report." Salem conveyed his respect for the work being done and his desire to give the

AMMAN 00008656 002 OF 002

program more power to "launch investigations, prosecute, and shut down factories." Given the resources for a capable legal department, he imagined there could be 30 to 40 factories shut down. Additionally, with Minister Zu'bi now in charge of the Justice portfolio, Salem said he expects closer coordination on prosecutions of labor violators.

New Requests for USG Assistance

17. (SBU) In addition to requesting that the lead of the short-term assessment team be retained to head his public inspectorate and/or advise on the structure and role of a legal department, Salem also requested USAID consider assistance to a new Department of Migratory Affairs (DMA). NOTE: Recommended by an ILO consultant, the DMA would provide policy coherence and inter-agency response on migration issues. The need for foreign workers is likely to intensify with higher foreign investment flows and economic growth in Jordan. The DMA would provide an institutional framework to oversee the varied policy aspects of migration currently being handled separately by the Ministries of Labor, Interior, and Industry and Trade. END NOTE. Salem wants USG assistance focused on improving his ability to penalize and prosecute labor violators as well as better manage migration.

He is looking for other donor organizations to help him cultivate the unemployment rolls in Jordan for workers to fill the growing demand for labor in the country.

18. (SBU) COMMENT: Minister Salem seems seized by the need to demonstrate action against labor violators. His re-appointment has definitely energized him to deal with the problem head-on. Beyond requesting further assistance, his immediate steps to address labor violations remain unclear, however. Additionally, business community concerns about rising costs of doing business in Jordan are not a top priority for Salem. To be fair, however, these concerns do not fall directly under Salem's portfolio but rather under

that of the new Minister of Industry and Trade, Salim
Khaza'ilah.
HALE